

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1170-01
Bill No.: HB 429
Subject: Education–Elementary & Secondary; Teachers
Type: Original
Date: May 31, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Joint Committee on Public Employee Retirement** indicate that the legislation does not represent a “substantial proposed change” in future plan benefits. As such, no actuarial cost statement is required.

In response to previous similar legislation, officials with the **Office of Administration** indicate that the Public School Retirement System should determine the potential cost of the proposal.

Officials with the **Public School & Non-Teacher School Employee Retirement Systems** indicate that the proposal is not a “substantial proposed change”.

Officials with the **Saint Louis Public School Retirement System** indicate that the proposal should result in modest savings for the system.

In response to previous similar legislation, officials with the **Kansas City Public School Retirement System** assumed the proposal would have no impact to the system.

Officials with the **Department of Elementary & Secondary Education** assume the proposal could result in minimal administrative costs not expected to exceed \$100,000. **Oversight** assumes any additional duties could be absorbed by existing staff and no costs would be incurred by the Department.

Oversight notes that the proposal is permissive, but requires any participating districts to pay associated costs and requires the rules developed to be cost-neutral to the retirement systems. As such, Oversight assumes no impact to the retirement systems.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill permits any school district with a self-determined shortage of teachers to allow retired teachers from any of the public school retirement systems to teach full-time for up to 2 years without loss of retirement benefits. The number of persons so employed is limited to the greater of 10% of the total teacher staff or 5 persons. The provisions of the bill are contingent upon the implementation of rules that assure the provision's cost-neutrality and actuarial soundness of the systems. All necessary costs are to be paid by the hiring district and must not exceed statutory cost limits. The bill also permits any district to reemploy retirees receiving benefits from the nonteacher system for 2 years without loss of pension benefits. The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Joint Committee on Public Employee Retirement
Office of Administration
Public School & Non-Teacher School Employee Retirement Systems
Saint Louis Public School Retirement System
Kansas City Public School Retirement System
Department of Elementary & Secondary Education



Jeanne Jarrett, CPA
Director

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